

**INTERNAL INFORMATION ON FACTS AND CIRCUMSTANCES THAT TOOK
PLACE IN THE FIRST QUARTER OF 2018
TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.**

- 1.1. There are no changes of the persons exercising control over the Company.
- 1.2. There is no change in the Board of Directors; there are no changes in the representation, appointment or dismissal of a procurator.
- 1.3. There are no amendments and/or supplements in the Statute of the company in the first quarter of 2018.
- 1.4. Opening of procedure for liquidation and all material stages, connected with the procedure – no such procedure.
- 1.5. There are no insolvency proceedings against the company and all material stages, connected with such proceedings.
- 1.6. Acquisition, lease or disposition of assets of big value under Art. 114, Para. 1, It. 1 of the Public Offering of Securities Act (POSA) – no such.
- 1.7. There is no decision on the conclusion, termination and rescission of a contract for joint venture.
- 1.8. Changes in the auditors of the Company – no changes
- 1.9. Announcement of the profit of the company - TCHAIKAPHARMA HIGH QUALITY MEDICINES INC. ended the first quarter of 2018 with a net profit of BGN 3 023 thousand /31.12.2017 – BGN 8 831 thousand/
- 1.10. There are no significant losses and reasons for them.
- 1.11. There are no unpredictable or unforeseen circumstances of extraordinary character, due to which the company or its subsidiary has suffered damages amounting to three or more percent of the company's equity.
- 1.12. The Company has not received and published a modified audit report.
- 1.13. Decision of the General Meeting on the type and amount of the dividend and the terms and conditions for its payment – There is a decision to convene a General Meeting of Shareholders scheduled for 30.04.2018.
- 1.14. Receivables arising that are material to the company and their maturity.
- 1.15. There are no liquidity problems and measures for financial support.
- 1.16. Increase or decrease of the share capital – no
- 1.17. No negotiations for acquisition of the company were held.
- 1.18. There are no essential contracts concluded or executed, which are not related to the core business of the company.
- 1.19. Opinion of the Governing Body in connection with a commercial offer – no such
- 1.20. Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years – no.
- 1.21. Introduction of new products and solutions on the market.

In the first quarter of 2018, Tchaikapharma High Quality Medicines AD, continues to add new products to its diverse portfolio and to be one of the leading companies in the pharmaceutical market. The documentation for three new products to complement the company's product list is being processed.

In the first quarter of 2018, Tchaikapharma High Quality Medicines AD submitted the necessary documents to obtain authorization to conduct a clinical trial with the Executive Agency for Medicines and the Ethics Committee at the “Tsaritsa Yoanna-ISUL” University Hospital, namely a Protocol, Researcher's Brochure, the Patient's Clinical Card, and the informed consent form. On 12.03.2018. an authorization was obtained from the EAM, followed by a positive opinion from the Ethics Committee. The bioequivalence study of a fixed combination of irbesartan/hydrochlorothiazide with the CoAprovel reference product will be conducted at the “Tsaritsa Yoanna-ISUL” University Hospital and will include 30 healthy volunteers. The development and validation of methods for investigating the concentration of drug substances in human plasma is a major task of the bioanalytical laboratory. Currently, experiments on the validation of the first method for determining the concentration of irbesartan in human plasma continue to meet the requirements of the current EMA and FDA guidelines. Based on the quality system implemented in the bio-analytical laboratory, it will also be possible to initiate a GLP compliance procedure.

1.22. There were no large orders /amounting to over 10 percent of the average revenues of the company for the last three years/.

1.23. There were no developments and/or changes in the volume of orders and the use of production capacity.

1.24. There was no suspension of sales of a product, forming significant part of the company's revenues.

1.25. Suspension of use, withdrawal of authorisation to operate / license / were not received.

1.26. There was no initiation or termination of legal or arbitration proceedings related to liabilities or receivables of the Company or its subsidiary, with claims of at least 10 percent of the company's equity.

1.27. The projected results were not updated.

1.28. There was no award or change of rating made by order of the company.

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC. notifies all concerned parties that the Interim Financial Report of the Company as of the 31st of March 2018 was not certified by a registered auditor.


Biser Georgiev
Executive Director

